

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 OMB-01 TRSE-00 EB-08 COME-00 SSC-01
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P R 291200Z JAN 77
FM AMEMBASSY NOUAKCHOTT
TO SECSTATE WASHDC PRIORITY 6919
INFO AMEMBASSY ALGIERS
AMEMBASSY DAKAR
AMEMBASSY PARIS
AMEMBASSY RABAT

C O N F I D E N T I A L NOUAKCHOTT 194

E.O. 11652: GDS
TAGS: PINT, PGOV, SOCI
SUBJECT: SOMETHING IS AMISS: MINISTRY OF FINANCE RUMORED DEEP IN
FINANCIAL SCANDAL

1. SOMETHING IS CLEARLY AMISS IN THE GOVERNMENT OF
MAURITANIA.

2. RUMORS OF LARGE SCALE FINANCIAL MALFEASANCE INVOLVING
SENIOR OFFICIALS IN THE MINISTRY OF FINANCE, THE
TREASURY, AND THE CUSTOMS ADMINISTRATION PLUS A
NUMBER OF PROMINENT MAURITANIAN CONTRACTORS AND
BUSINESSMEN BEGAN CIRCULATING SOME SIX WEEKS AGO.
ON JANUARY 12, THE CAPITAL WAS A-BUZZ WITH RUMOR THAT
MINISTER OF FINANCE, MUHAMMAD MOULAYE, HAD BEEN SUSPENDED
FROM HIS CABINET POSITION.ACCORDING NOUAKCHOTT RUMOR
MILL, NUMBER OF SENIOR AND UPPER MIDDLE GRADE BUREAU-
CRATS IN FINANCE, TREASURY, AND CUSTOMS WITH HELP
OF PRIVATE BUSINESS ACCOMPLCES (ONLY ONE IDENTIFIED
TO DATE BY NAME IS HEAD OF CONSTRUCTION FIRM AND
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MERCEDES REPRESENTATIVE) HAD BEEN MANIPULATING GOVERN-
MENTAL MACHINERY FOR LARGE SCALE PRIVATE GAIN. RUMORS
ASSERTED TAX OFFICIALS HAD MARKED BUSINESS AND PERSONAL
INCOME TAX OBLIGATIONS "PAID" IN EXCHANGE FOR SUBSTANTIAL
BRIBES BEGINNING WITH NEW CARS AND RANGING UPWARD
TO MAJOR CASH PAYMENTS. RUMORS ASSERTED THAT FORCED
HONESTY SYSTEM OF DIVIDED RESPONSIBILITY AND COUNTER

SIGNATURES HAD BEEN CIRCUMVENTED BY PRESENCE OF COOPERATING (AND PROFITING) AUTHORIZING OFFICIALS IN FINANCE AND DISBURSING OFFICIALS IN TREASURY. SOME VERSIONS ASSERTED CUSTOMS HAD ALSO BEEN INVOLVED. COMMENTARIES AMONG FRENCH CONSULTANT/TECHNICIAN COMMUNITY ASSERTED SCANDAL WAS NOT RPT NOT SIMPLE FIDDLING OF DOZEN NEW CARS OR 3-4 BUILDING LOTS, BUT WAS LARGE SCALE, SYSTEMATIC OPERATION INVOLVING "MILLIONS OF OUGYIAS" (GIRM CURENCY UNIT). COMMENTARIES ALSO INSISTED MOULAYE WAS "CLEAN", BUT HAS BEEN FIRED BECAUSE AS RESPONSIBLE MINISTER HE SHOULD HAVE PREVENTED, OR AT MINIMUM DISCOVERED MALFEASANCE MONTHS AGO AND PUT A STOP TO IT. BUT THERE HAVE BEEN NO OFFICIAL ANNOUNCEMENTS AND NO DIRECT OR EXPLICIT ACKNOWLEDGEMENT EITHER OF SCANDAL OR DISMISSALS, AND DIRECTORS OF GOVERNMENT-RUN NEWSPAPER AND RADIO CLAIMED - APPARENTLY GENUINELY--THEY HAD NO HARD KNOWLEDGE OF AFFAIR. ONLY HARD FACTS AVAILABLE ARE: (1) MOULAYE CANCELLED WITHOUT EXPLANATION PLANNED SOCIAL ENGAGEMENT WITH PAKISTANI AMBASSADOR WEEK-END JANUARY 9, (2) MOULAYE WAS CONSPICUOUSLY ABSENT FROM BONGO AIRPORT ARRIVAL CEREMONIES JANUARY 16 -- AND ALL SUBSEQUENT PUBLIC APPEARANCES OF CABINET DURING VISIT OF MOROCCAN PRIME MINISTER, (3) MOULAYE'S BROTHER, MINISTER OF HEALTH, WHO DID SHOW UP AT ALL CEREMONIALS, LOOKED NOTICEABLE DRAWN AND UNCOMFORTABLE.

3. MID-DAY JANUARY 27, NOUAKCHOTT WAS ROCKED BY REPORTS THAT MINISTER OF STATE FOR RURAL ADVANCEMENT
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AND MEMBER NATIONAL POLITICAL BUREAU, DIARAMOUNA SOUMARE, HAD BEEN FIRED. PRESUMPTION ON RUMOR CIRCUIT WAS THAT SOUMARE, AS FORMER MINISTER FINANCE AND DIRECTOR CUSTOMS, HAS HAD ARM IN TILL UP TO SHOULDER FOR SEVERAL YEARS. ONCE AGAIN, THERE HAVE BEEN NO ANNOUNCEMENTS, AND PERSONNEL OF GOVERNMENT-OPERATED MEDIA KNOW NOTHING. HOWEVER, CHARGE DE MISSION OF MINISTRY OF STATE FOR RURAL ADVANCEMENT CANDIDLY CONFIRMED JANUARY 29 THAT SOUMARE WAS NO LONGER MINSTATE, AND THAT AN ACTING MINSTATE HAS BEEN DESIGNATED TO TAKE HIS PLACE, AT LEAST ON A TEMPORARY BASIS.

4. SCANDAL SURFACED FOR FIRST TIME, ALBEIT INDIRECTLY, JANUARY 28, WHEN ACTING MINISTER FINANCE CONVEYED TO YOUNG TAX INSPECTOR SATISFACTION AND CONGRATULATIONS OF PRESIDENT OULD DADDAH FOR HIS "FASHION OF WORKING AND EXEMPLARY CIVIC-MINDEDNESS HE HAS DEMONSTRATED IN CARRYING OUT HIS DUTIES". PRESIDENT CONTINUED " I

ENCOURAGE YOU VIGOROUSLY TO CONTINUE AS YOU HAVE BEGUN
AND HOPE THAT YOUR EXAMPLE WILL BE FOLLOWED". CHAAB,
GOVERNMENT-SPONSORED DAILY, WHICH CARRIED STORY IN FRONT
PAGE BOX WITH PHOTO OF YOUNG INSPECTOR JANUARY 29 REPORTED
INSPECTOR HAD EARNED PRESIDENTIAL CONGRATULATIONS " FOR
AUDIT HE HAS CONTINUED TO EXECUTE FOR FOUR MONTHS AND
WHICH HAS ALREADY REVEALED A CERTAIN NUMBER OF IRREGULARITIES
IN THE PLUBLIC FINANCES".

5. DISCOVERY OF THE INVOLVEMENTOF A MINISTER OF STATE
VIRTUALLY ELIMINATES GOVERNMENT'S ABILITY TO SWEEP
SCANDAL UNDER RUG--IF IN FACT IT EVER WANTED TO.
WHILE OTHER DIPLOMATIC OBSERVERS EXPECTED GOVERNMENT
TO PURSUE TRADITIONAL COVER-UP,WE HAVE BELIEVED PRESIDENT
WAS MUCH MORE LIKELY TO USE SCANDAL TO ADMINISTER
SHOCK TREATMENT TO INEFFICIENT AND (POSSIBLY CORRUPT)
BUREAUCRACY HE HAS FREQUENTLY ANBMPUBLICLY CRITICIZED,
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AND TO PROSECUTE ANY ONE GOVERNMENT HAS SOLID CASE
AGAINST. GENEROUS PUBLIC PRAISE OF FUNCTIONARY
"WHO BLEW WHISTLE" SUGGESTS THAT PRESIDENT INDEED
INTENDS TO GO SECOND ROUTE.

HANDYSIDE

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